

## Message Text

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ACTION EA-09

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-03

INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03

SP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-04

CEA-01 DODE-00 PM-05 H-01 L-03 PA-01 PRS-01 CU-02

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R 290900Z JUL 77

FM USLO PEKING

TO SECSTATE WASHDC 8297

INFO AMCONSUL HONG KONG

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E.O. 11652: N/A

TAGS: EEWT, CH, US

SUBJ: NCUSCT MINING INDUSTRY DELEGATION VISIT TO PRC

REF: PEKING 1550

1. SUMMARY: MINING INDUSTRY DELEGATION OF NATIONAL COUNCIL FOR US-CHINA TRADE HAS HAD SUCCESSFUL AND PRODUCTIVE VISIT TO PEKING. THE FOCUS OF VISIT WAS A SERIES OF TECHNICAL PRESENTATIONS COVERING THE ENTIRE SPECTRUM OF MINING TECHNOLOGY AND EQUIPMENT. SEVERAL COMPANIES ALSO HELD SEPARATE COMMERCIAL DISCUSSIONS CONCERNING SALES OF EQUIPMENT. ALL SUBSTANTIVE SESSIONS ESCHEWED POLITICAL SUBJECTS. END SUMMARY.

2. A 15-MEMBER MINING INDUSTRY DELEGATION SPONSORED BY THE NCUSCT VISITED PEKING JULY 18-24 AT THE INVITATION OF THE CHINA COUNCIL FOR THE PROMOTION OF INTERNATIONAL TRADE. WHILE THE GROUP HAD COME PREPARED FOR EACH MEMBER TO LECTURE FOR THREE LIMITED OFFICIAL USE

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HOURS, UPON ARRIVAL THE CHINESE ASKED THAT EACH GIVE 15 HOURS OF LECTURE AND DISCUSSION. THE GROUP AGREED AND FOUND THAT THE SESSIONS WERE WELL-ATTENDED BY END-USERS FROM RESEARCH INSTITUTES AND REGIONAL MINING BUREAUS. THE CHINESE DISPLAYED KEEN INTEREST IN THE ENTIRE RANGE OF EQUIPMENT AND TECHNOLOGY RELATED TO

UNDERGROUND AND OPEN PIT MINING.

3. THE CONSENSUS OF THE DELEGATION MEMBERS WAS THAT THE MEETINGS WENT EXCEPTIONALLY WELL AND WERE A GOOD OPPORTUNITY TO PRESENT US TECHNOLOGY AND EQUIPMENT. SOME FEATHERS ON THE AMERICAN SIDE WERE RUFFLED, HOWEVER, BY CHINESE UNWILLINGNESS TO PROVIDE ANY ANSWERS TO THEIR QUESTIONS ON MINING OR TO ENGAGE IN AN EXCHANGE OF IDEAS. (THIS WAS THE FIRST VISIT TO THE PRC BY MOST OF THE DELEGATION MEMBERS.) SEVERAL AMERICANS WERE UNHAPPY ALSO WITH WHAT THEY CONSIDERED TO BE UNDUE PROBING BY THE CHINESE FOR SENSITIVE PROPRIETARY INFORMATION.

4. POLITICAL SUBJECTS DID NOT ARISE DURING ANY OF THE MEETINGS WITH LI CHUAN, VICE CHAIRMAN OF THE CCPIT, OR DURING THE TECHNICAL DISCUSSIONS. HOWEVER, WANG KENG-LIANG, A CCPIT INTERPRETER, ON SEVERAL OCCASIONS CLOSELY QUESTIONED SEVERAL MEMBERS OF THE GROUP ABOUT US ATTITUDES TOWARD NORMALIZATION AND TOWARD IMPLEMENTATION OF THE SHANGHAI COMMUNIQUE. HE INTIMATED, BUT APPARENTLY DID NOT STATE SPECIFICALLY, THAT THE PRC SEES A DEFINITE LINK BETWEEN INCREASED TRADE AND NORMALIZATION (SEE REFTTEL FOR LIMITED OFFICIAL USE

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LI CHUAN'S COMMENTS ON THIS SUBJECT).

5. SEVERAL COMPANY REPRESENTATIVES ALSO HELD SEPARATE DISCUSSIONS WITH THE FOREIGN TRADE CORPORATIONS ABOUT SALES. CLARK, CATERPILLAR, AND HARNISHCHFEGER HAVE ALL DONE BUSINESS WITH THE PRC PREVIOUSLY AND ARE CONFIDENT THAT THERE WILL BE FUTURE SALES RELATED TO MINING EQUIPMENT.

6. THE DELEGATION ALSO VISITED TATUN, SHANSI PROVINCE JULY 25-26 TO VISIT TWO UNDERGROUND COAL MINES AND A TECHNICAL SCHOOL FOR TRAINING MINING PERSONNEL. DELEGATION MEMBERS WERE IMPRESSED BY THE COAL CUTTING EQUIPMENT AND TECHNIQUES USED AT THE COAL FACE AND FELT THAT THEY WERE COMPARABLE TO THOSE USED IN THE US. BUT THE TRANSPORTATION SYSTEM FOR MOVING THE COAL OUT OF THE MINES WAS ANTIQUATED AND INEFFICIENT, WHILE THE PIT PROP SYSTEM FOR THE TUNNELS APPEARED TO BE UNSAFE. ACCORDING TO THE GROUP, TATUNG MINING BUREAU PERSONNEL WERE FORTHCOMING IN THEIR ANSWERS TO THE MANY QUESTIONS PUT TO THEM

ABOUT COAL PRODUCTION AND MINING TECHNOLOGY.

7. THE DELEGATION DEPARTED PEKING JULY 27 FOR SHENYANG AND FUSHUN, LIAONING PROVINCE, AND PLANS TO TRAVEL TOSHANGHAI ON JULY 30 TO VISIT THE COAL MINING MACHINERY RESEARCH INSTITUTE. PART OF THE GROUP WILL FLY DIRECTLY TO TOKYO ON AUGUST 1 AND THE REMAINDER WILL LEAVE THE PRC VIA CANTON.  
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## Message Attributes

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